

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE ST PAUL CITY COUNCIL

In Re the License Renewal Application of
Endeavor Financial, Inc., d/b/a Currency
Exchange IV located at 577 University
Avenue West.

**FINDINGS OF FACT,
CONCLUSIONS AND
RECOMMENDATION**

The above entitled matter came on for hearing before Administrative Law Judge George A. Beck, serving as hearing officer for the St. Paul City Council, on November 14, 2001, at 9:00 a.m. in Room 42, St. Paul City Hall.

Virginia D. Palmer, Assistant City Attorney, 400 City Hall, 15 West Kellogg Boulevard, St. Paul, MN 55102, appeared on behalf of the Office of License, Inspections and Environmental Protection (LIEP). There was no appearance by or on behalf of the Licensee, Currency Exchange IV.

NOTICE

This Report is a recommendation, not a final decision. The St. Paul City Council will make the final decision after a review of the record and may adopt, reject or modify these Findings of Fact, Conclusions and Recommendation. Under § 310.05 (c)(c-1) of the City's legislative code, the City Council will provide the Licensee the opportunity to present oral or written argument to the City Council before it takes final action. The parties should contact the St. Paul City Council to determine the procedure for presenting argument.

STATEMENT OF ISSUE

Should the currency exchange license of Currency Exchange IV be made subject to conditions?

Based upon all of the proceedings herein, the Administrative Law Judge makes the following:

FINDINGS OF FACT

1. On October 4, 2001, the Department of Commerce forwarded the Licensee's application to renew its currency exchange license to the City of St. Paul.

James C. Erickson submitted the application to the Department on September 27, 2001 to continue operation of a currency exchange at 577 University Avenue in St. Paul.¹

2. A criminal history search for the manager of the office found no criminal record for the manager, Patronia Sims.²

3. Upon receipt of the application from the Department of Commerce, the City provided notice of the application to nearby community organizations.³

4. The City also notified the Licensee that objectors had 15 days after being notified to object to the license renewal and that a hearing would be scheduled if objections were raised.⁴

5. On October 8, 2001, the Licensee paid its renewal fee to the City.⁵

6. The City also published notification of the license renewal application in the St. Paul Legal Ledger on October 18, 2001.⁶

7. The City received a letter dated October 24, 2001, from Tait Danielson, the Lead Organizer of the District 7 Planning Council stating that the council was opposed to renewal of the license and that it was requesting a public hearing. The District 7 Planning Council serves the neighborhoods of Mt. Airy, Capitol Heights, Lower Rice Street, Frogtown and East Midway.⁷

8. The City asked Mr. Danielson to supply more detail about the Council's concerns. In response he submitted a letter dated October 25, 2001, which stated that the Council was opposing renewal of the license due to numerous complaints from the neighborhood and the volume of police calls to the business. The letter stated that if the license was to be granted, then the Planning Council recommended that three conditions be placed upon the license, namely:

Indoor and outdoor video surveillance
Hours of operation limited to 8:00 a.m. to 6:00 p.m.
Posted signs to discourage loitering.⁸

9. The City issued a Notice of Hearing in this matter dated November 7, 2001, which set the hearing date and time for November 14, 2001, at 9:00 a.m. at the Ramsey County Courthouse. The Notice of Hearing was served by mail, on November 7, 2001, to the following address:

¹ Ex. 1.

² Ex. 1.

³ Ex. 2.

⁴ Ex. 3.

⁵ Ex. 4.

⁶ Ex. 5.

⁷ Ex. 6.

⁸ Ex. 7.

James C. Erickson
Currency Exchange
577 West University Avenue
St. Paul, MN 55103⁹

10. The City also published notice of the hearing in the St. Paul Legal Ledger on November 8, 2001.¹⁰

11. There was no appearance by or on behalf of the Licensee at the hearing.

12. LIEP recommends approval of the license without conditions because it is unaware of any citizen complaints about the business and unaware of any police reports concerning the Licensee.

13. Tait Danielson, lead organizer for the District 7 Planning Council offered public testimony at the hearing. He believes that the currency exchange business is one that inherently attracts criminal activity and needs to be closely regulated. He asked that the City Council impose the conditions set out in his letter of October 25, 2001.

14. The current hours of operation of the Licensee are 10:00 a.m. to 7:00 p.m. on Monday through Wednesday; 10:00 a.m. to 8:00 p.m. on Thursday and Friday and 10:00 a.m. to 6:00 p.m. on Saturday. The Licensee is closed on Sunday. The Licensee presently has an indoor video surveillance camera.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS

1. The City Council of the City of St. Paul and the Administrative Law Judge have jurisdiction in this matter pursuant to Minn. Stat. § 14.55 and the St. Paul Legislative Code Sections 310.05, 310.06 and 381.02.

2. The City of St. Paul has fulfilled all relevant substantive and procedural requirements of law and rule.

3. The City of St. Paul has given proper notice of the hearing in this matter including proper notice in accordance with the requirements set forth in Minnesota Statute Chapter 53A and Section 381 of the Legislative Code of the City of St. Paul.

4. That Section 381.03(b)(5) provides that the following constitutes grounds for license action:

⁹ City Ex. 10.

¹⁰ Ex. 9.

Failure of the applicant to agree to reasonable conditions upon the operation of the business in accordance with the procedures set in Section 310.05 and the grounds of 310.06. Such conditions could include but are not limited to, hours of operation, off-street parking requirements, bonding in an amount greater than that required by state law, and annual audits at the licensee's expense.

5. That the record in this matter does not demonstrate that the restrictions proposed by the District Planning Council are reasonable conditions upon the operation of the business of the Licensee.

6. That the record does not demonstrate any violation of ordinance or statute justifying disciplinary action.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

RECOMMENDATION

IT IS HEREBY RESPECTFULLY RECOMMENDED: That the St. Paul City Council approve the renewal of the current City exchange license held by Endeavor Financial, Inc. d/b/a Currency Exchange IV for the premises located at 577 West University Avenue in St. Paul.

Dated this _____ day of November 2001.

GEORGE A. BECK
Administrative Law Judge

Reported: Taped, No Transcript Prepared.

NOTICE

Pursuant to Minn. Stat. § 53A.04 the St. Paul city Council is required to forward its approval or disapproval of the license application to the Commissioner of Commerce of the State of Minnesota for the Commissioner's approval or disapproval. If the renewal application is denied, the Commissioner shall mail notice of the denial and the reason therefor to the Applicant. The applicant, upon denial, may request a further hearing as provided for in Minn. Stat. § 53A.04(b).

MEMORANDUM

The representative of the District 7 Planning Council testified at the hearing that it was the Council's goal that all currency exchanges in its neighborhoods be subject to restrictions similar to those proposed for this business. He stated this was necessary due to numerous complaints from the neighborhood and the volume of police calls to

this address. Mr. Danielson indicated that there have been 38 police calls for service to the Licensee since January of 1999. Some of these calls, however, were alarm responses and the record does not indicate the purpose of the other calls.

Mr. Danielson testified generally that the area in question is a high crime area and he expressed his belief that this type of business needs to be closely regulated. However, there is no specific evidence in the record to substantiate numerous complaints from the neighborhood and it cannot be concluded that the number of police calls is unusual based upon this record. As Mr. Danielson acknowledged, some calls may relate to attempted check forgeries.

LIEP indicated at the hearing that it recommends issuance of the license without conditions since it has seen no evidence of violations by this licensee. Based upon the record as a whole, this would appear to be an appropriate disposition. Action in regard to the appropriate hours of several businesses might be more appropriately accomplished legislatively.

G.A.B.